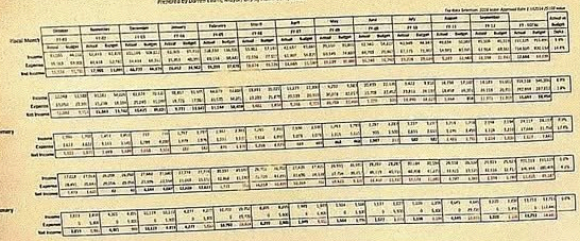
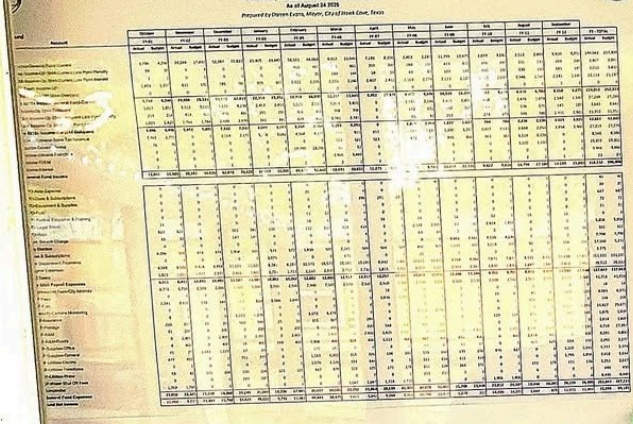
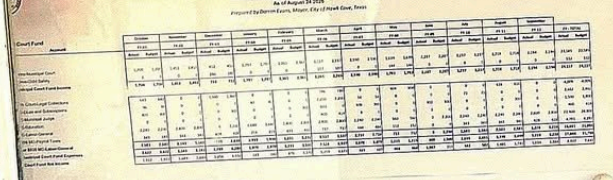
City of Hawk Cove, Texas
Consolidated Municipal Budget Fiscal Year 2027
October 1, 2026 through September 30, 2027
As of August 24 2026
Prepared by Darren Evans, Mayor, City of Hawk Cove, Texas



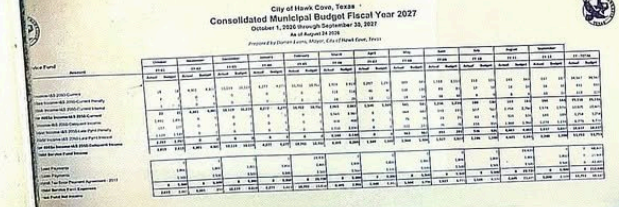
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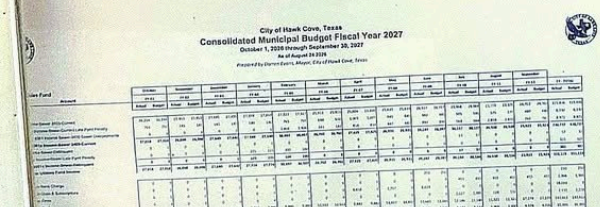
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As of August 24 2026
Prepared by Darren Evans, Mayor, City of Hawk Cove, Texas



City of Hawk Cove, Texas
Consolidated Municipal Budget, Fiscal Year 2027
For the Period October 1, 2026 though September 30,2027

Date: August 28, 2026

To: Members of the City Council, and Residents of the City of Hawk Cove, Texas
From: Darren Evans, Mayor
Subject: Transmittal of the Proposed Fiscal Year 2027 Annual Operating and Capital Budget

I am pleased to present the Proposed Annual Budget for City of Hawk Cove, Texas for Fiscal Year (FY) 2027. This comprehensive financial plan serves as a roadmap for our community, reflecting our ongoing commitment to fiscal responsibility, operational excellence, and strategic investment in our city's future.

The development of this budget was guided by the strategic priorities and a shared vision of maintaining City of Hawk Cove, Texas as a safe, vibrant, and prosperous place to live and work. This year's balanced budget totals $822,214 across all funds, representing a 13% increase from the previous fiscal year.

Strategic Priorities and Key Investments

This budget directly addresses the immediate needs of our community while making critical investments in long-term infrastructure and sustainability. Key highlights include:

- **Grant Eligibility:** Allocation of $70,440 to comply with requirements to reduce the delinquent balance of an outstanding loan to the USDA. This action will allow the City of Hawk Cove, Texas to be eligible for grants from different agencies for infrastructure and capital improvements with a focus to the repairs of the city's roads and streets. The city's administration has been working with the USDA to this end. For the last three years the Special Assets Unit (SAU) of the USDA with the cooperation of Communities Unlimited has been collecting information and data to make this come to fruition.
- **Infrastructure and Capital Improvements:** An allocation of $27,400 as created for current emergency repairs to the city's streets and roads. These funds could increase as the available funds increase.
- **Operational Efficiency:** Continuous modernization of city services through [e.g., upgraded municipal software, energy-efficient building conversions] to maximize the value of every taxpayer dollar.

Fiscal Health and Outlook

The instability of the current economic environment has led to an overall conservative approach to the design of this budget.

- **Revenue Assumptions:** Property tax revenues are projected to increase slightly due to modest growth in our local tax base. Sales tax revenues are estimated to remain unchanged from the previous year with little opportunity for potential economic fluctuations.
- **Tax Rate:** Unfortunately, due to statutory requirements* and the city's current debt position and number of deferred tax properties, the property tax rate will need to increase. For those reasons this budget proposes the election of an increased tax rate of $1.142014/$100 value Voter Approval Rate.

* The Constitution of the State of Texas – Article XI, Section 5.
* Texas Tax Code - §26.04 and §26.012(8)

Challenges and Future Outlook

Looking ahead, the city continues to navigate rising costs driven by inflation, competitive labor markets, and increasing demands on public infrastructure and debt management. To mitigate these pressures, the city's administration has actively identified internal cost savings and restructured operations to avoid service reductions while ongoing efforts continue the City of Hawk Cove, Texas remains in compliance with statutory requirements. We remain dedicated to monitoring these economic indicators closely throughout the fiscal year.

Acknowledgments

The preparation of this budget is a collaborative effort. I want to express my sincere appreciation to the city's administrative staff for their hard work, dedication, and unwavering commitment to the fiscal stewardship of our community.

Respectfully submitted,

Darren Evans
Mayor
City of Hawk Cove, Texas

Received By:
Angela M
City Sec.
8/28/26 @ 4:48pm

...ior the Proposed Fiscal Year 2027 Municipal Budget posted on August ...ors, reconciliation, and presentation errors affecting the reported ... and net financial results of the City's funds.

...August 28, 2026, has been superseded and should not be relied upon as ...osed budget.

...Fiscal Year 2027 Municipal Budget has been filed with the municipal ...ls for public inspection in accordance with Chapter 102 of the Texas ...e. The corrected version supersedes the version posted on August 28.

...s been preserved as a municipal record. It has not been deleted or altered.

...ation of the public hearing on the corrected proposed budget will be ...blic notice in accordance with applicable law.

...VE, TEXAS

...Secretary

...2026

- AM

...9, 2026

4pm

CITY OF HAWK COVE, TEXAS

FY2027 PROPOSED MUNICIPAL BUDGET

Mayor's Budget Message

...through September 30, 2027

...Council and Citizens of Hawk Cove

...is the proposed municipal budget for Fiscal Year 2027. The budget has been prepared ...FY2025 actual financial results, verified FY2026 year-to-date activity through June 30, 2026, ...venues and expenditures for the fiscal year beginning October 1, 2026.

...l balanced budget

...rating budget provides $822,215.00 in operating revenue and $814,190.64 in operating ...ers total $63,038.19 both in and out. After those transfers, the General Fund is projected ...ng balance. No beginning fund balance is appropriated to balance the FY2027 operating

...ne 30, 2026 totals $198,382.74 across the City's funds, $54,867.84 in the General Fund, ...al Court Fund, $34,833.74 in the Sewer Utilities Fund, and $84,798.04 in the Debt ...balances are stated as of June 30, 2026 so that the cash statement and the FY2026 ...ures use the same verified reporting date.

...rue

...rate is $1.142014 per $100 of taxable value. The no-new-revenue tax rate is $0.794402, ...enance and operations rate is $0.660541, and the voter-approval tax rate is $1.142014. The ...stated on the budget cover. The budget will raise $138,354.74 more total property tax ...dget, an increase of 54.2 percent, and $29,168.75 of the increase is attributable to new ...n.

...provides $413,325.00 in operating revenue and $322,788.30 in operating expenditures. It ...sfer to support Municipal Court, Sewer Utilities, and Debt Service requirements. The ...e the IRS payroll tax error payment agreement and maintains appropriations for City ...l taxes, legal services, roads, insurance, utilities, elections, supplies, and other municipal

...provides $24,117.00 in operating revenue and $36,779.90 in operating expenditures. A ...ansfer is budgeted to cover the difference and produce a balanced Municipal Court Fund

...rovides $351,113.00 in operating revenue and $381,613.19 in operating expenditures. A ...transfer is budgeted to balance sewer operations. Major FY2027 sewer appropriations ...ries, professional and operator fees, repairs and maintenance, testing, electric service, ...s necessary to operate the wastewater system.

...standing obligations

...rides $63,754.00 in operating revenue and $70,440.00 in budgeted USDA loan payments. ...General Fund transfer. The budget identifies $1,436,600.00 as the latest verified USDA

...DA records dated January 8, 2025. The City's restructuring request has not been revised. ...The budget also identifies the IRS back payroll tax obligation from the FY2025 year-end ...present an unsupported current payroll balance as filed.

...ended to provide the City Council and the public with a clear comparison of the City's ...results, verified FY2026 activity through June 30, 2026, and the FY2027 spending and ...his budget does not by itself complete the separate public hearing, record vote, tax-rate ...actions required as part of the budget and tax process.

...ed Municipal Budget to the City Council for public consideration, hearing, and action.

...ely,

...2026

WK COVE, TEXAS

BUDGET, FISCAL YEAR 2027

TAL PROPERTY TAXES THAN LAST YEAR'S AND OF THAT AMOUNT $29,168.75 IS TAX PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

Prior year	Current/proposed year
0.774139	1.142014
	0.794402
	0.660541
	1.142014
	1.159822

...ue amounts through June 30, 2026. Some numbers in italics represent budgeted or estimated ...

Financial Statement: Cash on Hand and Outstanding Obligations

Required expenditures comparison - Texas Local Government Code Section 140.0045

FY2025 Actual, FY2026 Verified YTD, and FY2027 Proposed Account Schedules

General Fund

Municipal Court Fund

Sewer Utilities Fund

Debt Service Fund